



**DEPARTMENT OF  
FINANCE**  
OFFICE OF THE DIRECTOR

GAVIN NEWSOM - GOVERNOR  
STATE CAPITOL ■ ROOM 1145 ■ SACRAMENTO CA ■ 95814-4998 ■ WWW.DOF.CA.GOV

April 9, 2019

Ms. Robin Schabes, Economic Development Manager  
City of Napa  
1600 First Street  
Napa, CA 94559

Dear Ms. Schabes:

Subject: 2019-20 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Napa Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2019 through June 30, 2020 (ROPS 19-20) to the California Department of Finance (Finance) on January 24, 2019. Finance has completed its review of the ROPS 19-20.

Based on a sample of line items reviewed and application of the law, Finance made the following determination:

- Item No 34 – 2015 Tax Allocation Bonds Series A in the amount of \$1,984,125 is partially reclassified. During ROPS 18-19, Finance approved \$795,947 in Redevelopment Property Tax Trust Fund (RPTTF), \$254,651 in Reserve Balances, and \$933,527 in Bond Proceeds, totaling \$1,984,125, as reserves for the ROPS 19-20 debt service payment. The Agency agreed this item was fully funded during the ROPS 18-19 period. Therefore, the funding requested has been reclassified as identified in the table below:

	Bond Proceeds	Reserve Balances	Other Funds	RPTTF	Total
Requested	\$932,030	\$ 668,748	\$ 120,993	\$ 262,354	\$1,984,125
Reclassification	1,497	381,850	(120,993)	(262,354)	0
Authorized	\$933,527	\$1,050,598	\$ 0	\$ 0	\$1,984,125

- On the ROPS 19-20 form, the Agency reported cash balances and activity for the period July 1, 2016 through June 30, 2017 (ROPS 16-17). According to our review, the Agency has approximately \$141,867 from Reserve Balances and \$24,851 from Other Funds, totaling \$166,718, available to fund enforceable obligations on the ROPS 19-20. HSC section 34177 (l) (1) (E) requires these balances to be used prior to requesting RPTTF. Therefore, the funding source for the following items, which do not require funding from tax revenues, have been reclassified in the amounts specified on the following page.

Item No.	Item Name/Project Name	Requested	Authorized			
		RPTTF/ Admin RPTTF	RPTTF	Reserve Balances	Other Funds	Total
7	Bond Investment fees	\$ 3,750	\$0	\$ 3,750	\$ 0	\$ 3,750
8	Fiscal Agency Fees	5,000	0	5,000	0	5,000
12	City Loan	92,836	0	67,985	24,851	92,836
32	Administrative Cost Allowance	50,000	0	50,000	0	50,000
Total		\$151,586	\$0	\$126,735	\$24,851	\$151,586

Finance notes that the Agency had a total of \$166,718 in Reserve Balances and Other Funds available to fund enforceable obligations, but only \$151,586 could be applied for this ROPS period. Therefore, the remaining balance of \$15,132 (\$166,718 – \$151,586) in Reserve Balances should be used in lieu of RPTTF on subsequent ROPS requests.

- Pursuant to HSC section 34186, successor agencies are required to report differences between actual payments and past estimated obligations. Reported differences in RPTTF are used to offset current RPTTF distributions. The amount of RPTTF approved in the table on Page 4 includes the prior period adjustment (PPA) resulting from the County Auditor-Controller's review of the PPA form submitted by the Agency. However, since total authorized RPTTF is zero, the entire PPA cannot be applied this ROPS period. As a result, the excess PPA of \$75,000 should be applied prior to requesting RPTTF on the future ROPS.

Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 19-20. If the Agency disagrees with our determination with respect to any items on the ROPS 19-20, except items which are the subject of litigation disputing our previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on our website:

<http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/>

The Agency's maximum approved RPTTF distribution for the reporting period is zero as summarized in the Approved RPTTF Distribution table on Page 4 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1 through December 31 period (ROPS A period), and one distribution for the January 1 through June 30 period (ROPS B period) based on Finance approved amounts. Since this determination is for the entire ROPS 19-20 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

Absent a Meet and Confer, this is our final determination regarding the obligations listed on the ROPS 19-20. This determination only applies to items when funding was requested for the 12-month period. If a denial by Finance in a previous ROPS is currently the subject of litigation, the item will continue to be denied until the matter is resolved.

The ROPS 19-20 form submitted by the Agency and this determination letter will be posted on our website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

This determination is effective for the ROPS 19-20 period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from RPTTF is the same as the amount of property tax increment available prior to the enactment of redevelopment dissolution law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in RPTTF.

Please direct inquiries to Cindie Lor, Supervisor, or Mathew Rios, Analyst, at (916) 322-2985.

Sincerely,



JENNIFER WHITAKER  
Program Budget Manager

cc: Mr. Brian Cochran, Finance Director, City of Napa  
Mr. Bob Minahen, Assistant Auditor Controller, Napa County

### Attachment

Approved RPTTF Distribution For the period of July 1, 2019 through June 30, 2020			
	ROPS A Period	ROPS B Period	ROPS 19-20 Total
RPTTF Requested	\$ 271,104	\$ 92,836	\$ 363,940
Administrative RPTTF Requested	25,000	25,000	50,000
<b>Total RPTTF Requested</b>	<b>296,104</b>	<b>117,836</b>	<b>413,940</b>
<b>RPTTF Requested</b>	<b>271,104</b>	<b>92,836</b>	<b>363,940</b>
<u>Adjustments</u>			
Item No. 7	(3,750)	0	(3,750)
Item No. 8	(5,000)	0	(5,000)
Item No. 12	0	(92,836)	(92,836)
Item No. 34	(262,354)	0	(262,354)
	(271,104)	(92,836)	(363,940)
<b>RPTTF Authorized</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Administrative RPTTF Requested</b>	<b>25,000</b>	<b>25,000</b>	<b>50,000</b>
<u>Adjustment</u>			
Item No. 32	(25,000)	(25,000)	(50,000)
<b>Administrative RPTTF Authorized</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total RPTTF Authorized for Obligations</b>	<b>0</b>	<b>0</b>	<b>0</b>
Prior Period Adjustment	0	(75,000)	(75,000)
Excess PPA	0	75,000	75,000
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>